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Report of the Secretary-General on the work of the Organization

Framework for a global service delivery model of the United Nations Secretariat

Report of the Advisory Committee on Administrative and Budgetary Questions

I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered the report of the Secretary-General on a framework for a global service delivery model of the United Nations Secretariat (A/70/323). During its consideration of the report, the Advisory Committee met with the representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 16 October 2015.

2. The present report should be read in conjunction with other reports currently before the General Assembly, which also contain information related to the development of the global service delivery model. These include: (a) the seventh progress report of the Secretary-General on the implementation of the enterprise resource planning project, Umoja (A/70/369 and Corr.1 and 2); (b) the report of the Secretary-General on progress in the implementation of the information and communications technology (ICT) strategy (A/70/364 and Corr.1); (c) the fourth annual report of the Board of Auditors on the implementation of the United Nations enterprise resource planning system (A/70/158); and (d) the financial report and audited financial statements for the year ended 31 December 2014 (A/70/5 (Vol. I) and Corr.1, chap. II, paras. 185-199). In addition, the Board of Auditors is to issue before the end of the main part of the seventieth session of the General Assembly a follow-up report to its report on the handling of ICT affairs in the Secretariat (A/67/651 and Add.1; see also A/67/770), and the Secretary-General has stated his intention to submit a revised plan for future releases of the Umoja solution, including cost estimates for consideration by the General Assembly at the first part of its resumed seventieth session (see A/70/369, para. 51).

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Background and timing

3. The Secretary-General indicates that the report is submitted in accordance with General Assembly resolution 67/246. In that resolution, the Assembly accepted the first annual progress report of the Board of Auditors on the implementation of the United Nations enterprise resource planning system (Umoja) for the biennium ended 31 December 2011 (A/67/164) and endorsed the conclusions and recommendations contained in the report of the Advisory Committee on the fourth progress report of the Secretary-General on the project (A/67/565). In its first annual report on Umoja (A/67/164), as well as in its subsequent progress reports (A/68/151; A/69/158), the Board of Auditors highlighted that the global service delivery model should have been designed in advance of the Umoja project and that the absence of a defined destination service delivery model increased the risk of expensive retrofitting of the enterprise resource planning system. The Committee concurred with the Board of Auditors that a Secretariat-wide approach to common service delivery could facilitate the transition to a new system and also generate considerable efficiencies in the long term. The Committee encouraged the Secretary-General to explore the feasibility of that Secretariat-wide approach, while emphasizing that any changes to the existing service delivery model must be approved by the General Assembly (A/67/565). In the summary of its second annual progress report on Umoja (A/68/151), the Board reported that the Secretariat had acknowledged that ideally, a future service delivery model would have been designed in advance of the Umoja project. Since then, the Assembly has endorsed multiple reports in which the Committee recommended that the Secretary-General be requested to submit proposals for a global service delivery model of the United Nations Secretariat for consideration by the Assembly as soon as possible.[1]

4. Upon enquiry, the Advisory Committee was informed that the Secretariat considered the global service delivery model to be a natural extension of the Umoja solution: while Umoja standardized and automated business processes, the global service delivery model will consolidate fragmented administrative structures within and across duty stations, as appropriate. The Secretariat considered the timing of its submission to be in line with the following proposals put forward in its earlier progress reports on Umoja which had been endorsed by the General Assembly: (a) in his third progress report the Secretary-General proposed a revised implementation strategy based on a sequential approach for introducing new functionality, new processes and an improved service delivery model at a pace suitable for the Secretariat to absorb such a significant amount of change (see A/67/360, para. 17; see also A/68/375, para. 37); and (b) in his fifth progress report the Secretary-General indicated that a new service delivery model for the United Nations Secretariat would emerge as the process of business re-engineering under Umoja moved forward, and proposed to present a proposal on the future service delivery model for its consideration at a later session (ibid.). In his current report, the Secretary-General indicates that the approach taken draws on lessons learned from the United Nations system that stress the importance of enterprise resource planning readiness prior to embarking on shared service arrangements (A/70/323 annex V, para. 5).

[1] See, for instance, General Assembly resolutions 67/247, 67/254 and 68/284, 69/262 and 69/274; see also the related reports of the Advisory Committee A/67/565, A/68/770, A/68/782/Add.8, A/69/580, A/69/418 and A/69/610.

Rationale and overall approach

5. The Secretary-General provides the rationale and need for a new service delivery model of the United Nations in paragraphs 1 to 5 of his report. He states that the administrative structures, policies, procedures and delegations of authority of the Organization have become increasingly complex, covering some 98 stand-alone entities at more than hundreds of sites that serve individual duty stations or specific departments and offices. Furthermore, these administrative practices vary significantly among entities and operating environments, and the elaborate structures for administrative backstopping represent a significant cost. The Secretary-General states that, to establish a sustainable approach to administrative service delivery that is suitable for current and evolving operational needs of the Secretariat, the Organization must shift to a new service delivery model, which should build on the expertise available across the entire Secretariat and the potential of all recent business transformation initiatives.

6. The Secretary-General states that his report proposes a framework for the global service delivery model of the United Nations Secretariat which addresses administrative support services, and will also cover supply chain management and logistics functions (A/70/323, paras. 6-7). He indicates that his report provides information on the vision, expected benefits and guiding principles of the model (ibid., paras. 16-26), a preliminary scope and possible modalities for service delivery, client relationship management and funding of shared services (ibid., paras. 27-40), and an implementation road map (ibid., paras. 41-46).

7. The Secretary-General also states that, should his proposed framework be approved by the General Assembly, the global service delivery model will be developed in a phased approach as follows: (a) a detailed proposal for administrative support services, including a business case and location options for shared service centres, will be presented for consideration by the General Assembly at its seventy-first session; (b) the baseline for the administrative set-up in an Umoja-operating environment would be captured on 1 February 2016, a three-month period after the deployment of Umoja integration across the Secretariat; and (c) physical consolidation of service delivery functions at the global, regional and local levels is envisaged during the 2018-2019 financial period. The Secretary-General indicates that the global service delivery model to be developed will build on organizational history, existing infrastructure and investments made, and also draw upon experience and lessons learned from existing shared services arrangements.

II. General comments and recommendations

8. The Advisory Committee notes that the report of the Secretary-General is mostly general in nature and that the details of the proposal remain to be developed and presented. While noting the Secretary-General's position on the sequencing and timing of the submission of his proposal (see para. 4 above), the Committee remains of the view that such a report could have been submitted at an earlier stage, given its general nature and taking into account the experience available within the United Nations Secretariat in the provision of shared services, in particular at offices away from Headquarters and at the Department of Field Support following the implementation of the global field support strategy, as well as at the United Nations funds and programmes (see A/70/323, paras. 11-13). As indicated by the Board of

Auditors (see para. 3 above), the approach taken will increase the risk of expensive re-engineering/retrofitting of Umoja processes. In this regard, the Committee recalls that, in its fourth annual progress report on the implementation of the United Nations enterprise resource planning system (A/70/158), the Board of Auditors recommends that the Secretariat evaluate the case for an Umoja optimization project, considering the links to the proposed global service delivery model.

9. **The Advisory Committee welcomes the submission of the report of the Secretary-General as an initial effort towards the development of a detailed proposal for a global service delivery model of the United Nations Secretariat, which highlights some of the key issues to be considered on this complex subject.**

10. **The Advisory Committee emphasizes, as it has for other major business transformation initiatives, the importance of establishing clearly at the outset the goals and objectives of the initiative and to conduct a detailed cost-benefit analysis and establishing a business case to support proposals submitted for consideration by the General Assembly. The Committee also stresses the need to record, at the start of the implementation of the project, baseline information on the key parameters of the existing service delivery arrangements that can be used to assess progress as the project evolves. The Committee discusses specific baseline information to be gathered in paragraph 28 below. In addition, a detailed project plan should be established that includes information on: the main milestones and deliverables; the project governance and management arrangements; the roles and responsibilities of key stakeholders; project risks, assumptions and constraints; and project costs and staffing requirements. In this regard, the Committee emphasizes the need to ensure at the start of the development of this initiative that appropriate project management tools and methods are in place that would allow accurate recording and transparent reporting on all project costs incurred.**

11. Recent experience in the implementation of several major transformational initiatives shows that strong leadership and effective project governance are essential to successfully manage and deliver a complex, organization-wide business transformation such as the shift to a new service delivery model. **The Advisory Committee considers it equally important for the Secretary-General to instil across the Secretariat, in particular at the senior management level, a sense of ownership and proper accountability for the success of the project. The Committee therefore recommends that the General Assembly request the Secretary-General to take all measures necessary to ensure that this major business transformation initiative is supported by effective leadership, governance, project management and accountability arrangements. The Committee also emphasizes the importance of ensuring that there is a clear understanding of the objectives and goals of this initiative, and that it enjoys high levels of collaboration and cooperation throughout the Secretariat.**

12. In the summary to his report, the Secretary-General indicates that the global service delivery model will be based on an enterprise-wide approach that will deliver high-quality, timely and standardized administrative services across the United Nations Secretariat under one common set of Financial and Staff Regulations and Rules and that modular solutions will accommodate diverse business needs and the complexities of different operating environments at Headquarters and in the field. **The Advisory Committee stresses the importance of ensuring that the**

global service delivery model of the United Nations Secretariat is comprehensive and encompasses the service delivery requirements of all parts of the Secretariat, including peacekeeping and the field missions which are currently being served by the service centres and shared service arrangements put into place in the context of the global field support strategy. The Advisory Committee also stresses that the global service delivery model should aim to achieve the most rational distribution of functions among different locations, and most effective use of the existing United Nations Secretariat infrastructure. The Committee expects that the model presented will improve service delivery, streamline functions and consolidate administrative support capacities across all Secretariat entities.

13. The Advisory Committee requested clarification regarding the definition and scope of the term "administrative support services" used in the report. It was informed that, under the regular budget, the resources that are not directly associated with the delivery of substantive services are categorized as administrative in nature. Under the working definition used by the Secretariat, it is understood that these resources cover non-programme services for support functions that are not directly related to the delivery of substantive programmes. In the context of programme budget documents, the term "administrative support services" encompasses post and non-post resources budgeted under the programme support component, including executive offices and administrative services in regional commissions (excluding conference and library services), as well as the entire budget under part VIII, Common support services. **The Committee considers that there is a need for clarification of the terms used, and recommends that the Secretary-General be requested to review and adapt the terminology used as appropriate for common use across the entire Secretariat. The Secretary-General should also be requested to provide definitions of any specialized terms in his detailed proposal report.**

III. Comments and recommendations on individual aspects

Relationship with other critical transformational initiatives

14. Information on the critical business transformation initiatives that are related to the development of the global service delivery model is provided in paragraph 9 of the report of the Secretary-General (A/70/323). These include: (a) Umoja, which aims to introduce standardized and simplified business processes and provide a single source of reliable and real-time information that can be accessed from any location; (b) the global field support strategy, which introduced shared services in peacekeeping operations and provides lessons learned; (c) the ICT strategy, which aims to provide enterprise ICT solutions for the entire Secretariat and to harmonize ICT services, thereby providing an enabling landscape for both Umoja and global service delivery; (d) the International Public Sector Accounting Standards (IPSAS), which are intended to provide more detailed data on costs and facilitate more informed strategic decisions regarding utilization of resources; and (e) human resources reform, which aims to support a more dynamic, skilled and adaptable workforce that is able to adapt to a globalized and interconnected environment. In addition, the General Assembly has emphasized the importance of the alignment between the current arrangements being deployed under the global field support

strategy and the pending global service delivery model being presented to the Assembly for its consideration (resolution 69/262, sect. IV, para. 8).

15. **The Advisory Committee continues to stress the importance of ensuring that the development of a global service delivery model of the United Nations Secretariat is anchored in a coherent approach that takes into account all ongoing business transformation initiatives (Umoja, ICT strategy, global field support strategy, IPSAS and human resources reform), that maximize synergies and avoids duplication and fragmentation. The Committee recommends that the General Assembly request the Secretary-General to provide in his detailed proposal information on the efforts envisaged to ensure such coherence, including information on the use of common infrastructure and resources. In this regard, the Committee recalls that, in its resolution 69/307 (sect. V, para. 61), the General Assembly, recalling paragraphs 46 and 47 of the report of the Committee (A/69/874), requested the Secretary-General to ensure that any initiatives related to field support and service delivery improvements take into account lessons learned and best practices from other Secretariat initiatives, so as to maximize benefits and avoid possible duplication and overlap.**

Building on experience and on lessons learned

16. The Secretary-General states that the global service delivery model proposed to be developed will build on the organizational history that has evolved over 70 years, and will leverage the infrastructure and resources that were committed in the past. In developing the detailed proposal for the model, the Secretariat will also draw on experience and lessons learned from shared services arrangements already in use at different Secretariat entities. As indicated in paragraphs 11 to 13 of the report, there are already a considerable number of shared services arrangements in place within the Secretariat, including at: (a) field missions, which receive logistics and administrative services from shared service centres established in the context of the global field support strategy at the Global Service Centre at Brindisi, Italy, and the Regional Service Centre at Entebbe, Uganda; (b) Headquarters, which provides some services centrally to all Secretariat entities; (c) offices away from Headquarters and regional commissions, which serve as local and regional hubs and provide administrative and support services to co-located entities at their respective duty stations, as well as to the field offices of those entities; and (d) the Office of Information and Communications Technology, which provides central ICT support services such as the global help desk for all Secretariat entities. A wide range of shared service arrangements have also been implemented by other United Nations system entities. **The Advisory Committee encourages the Secretary-General to draw fully upon the experience and expertise acquired and lessons learned in the implementation and use of shared services within the Secretariat and the United Nations system.**

Vision, expected benefits and guiding principles

17. The Secretary-General outlines the vision, expected benefits and guiding principles in paragraphs 16 to 26 of his report. He states that the proposed global service delivery model will be based on an enterprise-wide approach and deliver high-quality, timely and standardized administrative services across the entire Secretariat. In particular, the model aims to: (a) simplify the administrative

framework, functions and workflows; (b) specialize administrative responsibilities under distinct roles, including the reprofiling of functions on the basis of a delineation of responsibilities as Headquarters, hub or local level functions; and (c) consolidate administrative capacity across the Secretariat. The model also aims to achieve excellence of service in terms of quality, timeliness and cost-effectiveness; client orientation and responsiveness to business needs; adaptability flexibility and scalability; effective organizational performance management; and a simplified and consolidated administrative support structure.

18. **The Advisory Committee recommends that the Secretary-General be requested to continue to develop proposals regarding the vision and guiding principles of the global service delivery model, including proposals for an end-state vision of the model. In developing the detailed proposals, the Secretary-General should be requested to focus both on achieving improvements in the delivery of administrative services and on reducing the related costs. With regard to expected benefits, as indicated above, the Committee stresses the need to conduct a full cost-benefit analysis. It also emphasizes the need to distinguish between qualitative and quantitative benefits.**

Governance and project management arrangements

19. Information on governance and project management is provided in paragraphs 47 and 48 of the report of the Secretary-General. The Secretary-General states that a robust governance and project management framework will be established to develop and accompany the implementation of the global service delivery model, which will include: a project owner, a Steering Committee, a dedicated project team and a working group. As indicated in paragraph 48 (b) of the report, the Steering Committee will provide guidance and project oversight. It will be chaired by the Under-Secretary-General for Management, with the Under-Secretary-General for Field Support as Vice-Chair, and with senior representation from the client department and offices, Umoja process owners, field missions and service providers from a cross-section of duty stations. **The Committee stresses in particular the importance of establishing strong leadership for the project (see para. 11 above).**

20. **With regard to governance, leadership and project management, the Advisory Committee emphasizes the importance of drawing fully upon the lessons learned during the implementation of the global field support strategy and the Umoja project, as well as of taking into account the relevant observations and recommendations of oversight bodies. The Committee also stresses the need to ensure that the report on the detailed proposal reflects a balanced approach and includes the views and requirements of service providers at offices away from Headquarters that already provide shared services and have considerable experience in this regard, as well as those of client departments and offices that are the recipients of shared services and other stakeholders. The Committee trusts that efforts will be made on a continuous basis to ensure that all the members of the Steering Committee play an active role in guiding and overseeing the management of the development and implementation of the project, in representing the views and needs of their respective areas and in fostering cooperation across the Organization, as well as in facilitating decision-making and the prompt resolution of issues.**

Preliminary scope

21. The Secretary-General indicates that the proposed framework addresses administrative support services, and that ongoing work to develop a new supply chain management framework is being piloted for field missions, will be integrated within the overall global service delivery model and will be taken into account in the design of Umoja Extension 2 (A/70/323, para. 11 (d)). He further indicates that, as part of the process of assessing the specific operating environment of the United Nations Secretariat, a six-part methodology is being applied to determine which administrative processes hold potential for consolidation under shared services arrangements (ibid., para. 27), which comprises the following steps: (a) location-dependence assessment of administrative business processes and preliminary categorization as "headquarters", "hub" or "local" processes; (b) assessment of the business impact and difficulty of moving the process to a shared service centre; (c) mapping and quantification of the workload; (d) identification of potential sites for consolidated functions; (e) development of a business case for the global service delivery model; and (f) formulation of a risk framework.

22. With regard to location dependence, the Secretary-General indicates that business processes are preliminarily categorized as "Headquarters", "hub" or "local" processes based on the following characteristics: (a) "headquarters" functions relate to the provision of strategic direction, formulation of policy, oversight and leadership on stakeholder engagement; (b) "hub" processes are those that are location independent and are deemed to have the potential for migration to a shared service environment; and (c) "local" office functions are those that are location-dependent and non-transferable.

23. Upon enquiry, the Advisory Committee was informed that the processes preliminarily identified under the "hub" category could be delivered from any location and included processes that are currently: (a) performed locally but have the potential to be consolidated, simplified and automated in a shared service environment; and (b) processes that are currently led by Headquarters but could be performed elsewhere. In contrast, it had been determined that processes identified under the "headquarters" and "local" categories were location-dependent and not considered to be suited for delivery in a shared service environment. The Committee was also informed that "headquarters" processes needed to be performed at a headquarters duty station, and that "local" processes had to be retained in the duty stations where they are currently being performed. The Committee was further informed that local processes were also performed at headquarters duty stations which, like all other duty stations, required delivery of local services. **The Committee is of the view that it may be useful to include also, as part of the assessment of the location dependence of processes, information on whether the processes can be performed by staff working offsite, outside of United Nations premises.**

24. The Secretary-General indicates that a preliminary analysis of 347 administrative processes (including Umoja processes and others that are being delivered outside the enterprise resource planning system) conducted under the leadership of Umoja process owners showed that 142 processes could potentially be considered under a shared services approach. A summary of the preliminary findings is provided in annex III to the report, which shows that the administrative processes comprise Umoja-related finance and human resources processes, Inspira-related human resources processes, corporate services processes and logistics and supply chain processes currently under development as part of Umoja Extension 2.

25. The Advisory Committee notes that the list of processes does not include the totality of the Umoja Extension 2 processes, which cover, in addition to supply chain management, other key functions such as budget formulation, grant management and programme management (see A/67/565, annex IV). In this connection, the Committee recalls that in his seventh progress report on the enterprise resource planning project, the Secretary-General states that a revised plan for future releases of the Umoja solution, including cost estimates, will be submitted to the General Assembly for its approval at the first part of its resumed seventieth session, in 2016 (A/70/369, para. 51). The Committee will comment on this matter in its related report, and will also revert to this issue in the context of its consideration the above-mentioned report on revised estimates for the Umoja project.

26. The Advisory Committee was further informed that the preliminary assessment presented in the report of the Secretary-General was indicative only, and formed part of an iterative process that would be refined as the detailed proposals were developed and a business case was prepared. **The Committee recommends that the Secretary-General be requested to continue to refine his analysis and to provide in his detailed proposal information and explanations on the identification of processes under the above three categories ("headquarters", "hub" and "local"), as well as details on the processes falling under each category. The Secretary-General should also provide information on the methodology and criteria used for assessing location-dependence of processes as well as on the other components of the six-part methodology. The Committee looks forward to receiving the outcome of the analysis. The Committee trusts that a detailed and comprehensive analysis will be conducted, which addresses the specificities of processes performed at all duty stations, including Headquarters, offices away from Headquarters and regional commissions, as well as at peacekeeping and other field missions.**

27. **The Advisory Committee recommends that the Secretary-General be requested to provide in the context of his detailed proposal a comprehensive inventory of all processes covered in the context of the existing service delivery arrangements, with explanations on their location-dependency status. In addition, the Secretary-General should also be requested to provide comprehensive baseline information on the provision of services for each process under existing service delivery arrangements prior to the implementation of the global service delivery model. The baseline information should include elements such as the volume of activity, the locations from which the service is provided, the related resources, including staffing resources, and estimates of unit costs.**

28. Upon enquiry, by way of example of baseline information, the Advisory Committee was provided with two tables, which are attached as annexes I and II to the present report. The Secretariat indicated that the tables provided an indicative staffing structure of personnel categorized as administrative in nature under the regular budget and the support account for peacekeeping operations.

Delivery modalities

29. With regard to the delivery of services, the Secretary-General proposes to develop a range of modalities for "end-to-end" service delivery that can be tailored

to different client profiles and operating environments. He states that this next phase of the development of the global service delivery model will involve further analysis to determine the most effective delivery approach for an administrative service in a particular location or for a specific client. The different delivery modalities under consideration include: (a) functional clusters that consolidate location-independent processes for comprehensive delivery by one entity within a site, a hub or at the global level, thereby replacing a fragmented structure with multiple contributing entities; (b) service lines that integrate processes spanning different administrative areas, such as the onboarding of new staff, which combines human resources management, financial and central support processes; and (c) customized client portfolios to provide a "one-stop shop" under a unified structure that assists a particular client or group of clients in all of its administrative support needs.

30. **The Advisory Committee stresses that the proposals for delivery modalities should be based on a thorough and detailed analysis to determine the most effective and efficient distribution of functions among the different structures of the United Nations Secretariat. In this regard, the Committee recommends that the Secretary-General be requested to include in his analysis an assessment of the "hub" processes that can be provided from a single location for the entire Secretariat. The Committee also recommends that the Secretary-General be requested to provide in his detailed proposal the rationale and full explanations underpinning the delivery approaches put forward.**

Location assessment

31. The Secretary-General discusses location assessment of shared service centres in paragraphs 45 to 46 of his report. He indicates that the evaluation of possible locations for administrative services will include two components: (a) a financial cost-benefit analysis, and (b) a qualitative assessment. He also indicates that the criteria proposed in the fifth progress report of the Secretary-General on the global field support strategy would be applied as the minimum location criteria for the evaluation process.

32. **While the Advisory Committee considers the criteria proposed in the context of the global field support strategy to be a starting point for the location assessment process, it emphasizes that the evaluation criteria should be refined, adjusted and expanded as required throughout the development of the detailed proposal. The Committee also stresses that the location assessment exercise should take into account information on requirements taking into account all relevant operational considerations, including service delivery modalities (see para. 30 above), the extent to which services are provided in a centralized or decentralized manner, the operational specificities, the projected volume of activity and any staffing implications (see also para. 12 above). The Committee expects that the forthcoming report on the detailed proposals will include full justification of the requirements for service centres, as well as of the rationale underpinning the criteria established for the evaluation of locations.**

Client relationship management

33. The Secretary-General indicates that in formulating the detailed global service delivery model proposal, service providers and client representatives will collaborate

to ensure that the common needs of different clients are properly mapped and addressed while maintaining a required level of standardization and consistency of support. Furthermore, the consolidation of administrative service capacity must be accompanied by strong performance management and quality control to ensure that the model effectively responds to the business needs of clients. The Secretary-General also indicates the global service delivery model will include robust performance and accountability mechanisms, such as service level agreements, key performance indicators, scorecards and continuous improvement mechanisms. In addition, client relationship management will be facilitated through components such as help desks, escalation mechanisms, feedback mechanisms and client boards (A/70/323, paras. 34-37). The report also states that governance arrangements will be designed in a way that ensures that client entities are an active partner in the decision-making process related to service delivery and are closely involved in the monitoring of organizational performance. **The Advisory Committee is of the view that the provision of shared services must be accompanied by rigorous and independent mechanisms for assessing and reporting on the quality of services provided and the extent to which client needs are being met. It recommends that the Secretary-General be requested to provide details on such mechanisms in the context of his report on the detailed proposal for the global service delivery model.**

Funding of shared services

34. The Secretary-General indicates that the different approaches currently employed for the funding of shared services, include: (a) an independent assessed budget; (b) contribution of resources by participating entities; (c) jointly financed arrangements; or (d) financing on a cost-recovery basis. He further indicates that the applicability of each of these modalities to the global service delivery model will be assessed with respect to its operational effectiveness, transparency of resource requirements, in particular towards Member States, accountability, scalability and ease of implementation with regard to Umoja and other information technology systems.

35. **The Advisory Committee stresses that the shift towards shared services could have a significant impact on the distribution of resources dedicated to the provision of those services. This new approach will also require detailed and transparent accounting and reporting on the use of those resources and on the costs of the shared services provided, including establishment of the unit costs of each service. In addition, the financing of shared services will in all likelihood be distributed among regular budget, peacekeeping and extrabudgetary sources of funding. The Committee recommends that the Secretary-General be requested to provide in his forthcoming report a detailed and comparative analysis of the different funding approaches under consideration.**

Other matters

36. The Advisory Committee considers that the implementation of a new service delivery model will have a significant impact on organizational structures of the United Nations Secretariat, lines of accountability, working methods, processes and procedures, in particular of the main service providers such as the Departments of Management and Field Support as well as the offices away from Headquarters and regional commissions. The Committee considers that the implementation of a new

service delivery model also presents an opportunity to review, streamline and align organizational structures. **The Committee recommends that the Secretary-General be requested to include details on the expected impact on existing organizational structures of the United Nations Secretariat and related proposals in his report on the detailed proposal and business case for the global service delivery model.**

37. Upon enquiry, the Advisory Committee was informed that the Secretariat remained committed to full compliance with General Assembly resolution 67/246, in which the Assembly endorsed the conclusions and recommendations contained in the report of the Committee (A/67/565, para. 75), including the Committee's recommendation that any changes to the existing service delivery model be approved by the Assembly. The Committee also recalls that it had been informed that any temporary arrangements introduced for the coordination of the deployment of Umoja would be discontinued after the Umoja implementation and stabilization periods (see A/70/7, para. VIII.24). **The Committee emphasizes that any organizational changes can be made only after approval by the Assembly of a detailed proposal for a new service delivery model of the United Nations Secretariat.**

IV. Resource requirements

Project team

38. The Secretary-General is proposing to establish on a temporary basis a dedicated global service delivery model project team in the Office of the Under-Secretary-General for Management to support all activities related to the formulation of a detailed proposal. The team would be composed of one Principal Officer (D-1), one Senior Programme Officer (P-5), two Management Officers (P-4), one Administrative Officer (P-3) and one General Service (Other level) staff member. The Secretary-General proposes to accommodate through redeployment the posts of two Management Officers (P-4), the Administrative Officer (P-3) and the General Service (Other level) staff member. He is requesting general temporary assistance in the amount of $662,600 under section 29A, Office of the Under-Secretary-General for Management, of the proposed programme budget for the biennium 2016-2017 for a 12-month period to fund the D-1 post and the P-5 post for an initial period of one year.

39. The proposed project team would lead the development of the model's business case and the organizational redesign proposals, supported by some specialized consultancy capacity with expertise in shared services arrangements, service delivery models and change management (A/70/323, para. 48 (c)). Upon request for further details on the functions of the project team, the Advisory Committee was informed that a strong and dedicated project team was required to develop detailed proposals and a business case for the global service delivery model. Furthermore, it was critical that such a capacity be closely linked to the day-to-day operations of the United Nations Secretariat to take into account its unique organizational context and history, ensure responsiveness to the specific operational needs of different clients and diverse operating environments and reflect the administrative and regulatory framework of the Organization. The Committee was further informed that attention would be paid to ensuring that the composition of the project team reflects appropriate representation of the different administrative

disciplines involved in the implementation of the model, as well as of Headquarters and field perspectives, and of service providers and clients. In addition, representation of the Department of Field Support on the project team would ensure due consideration and learning from the experience acquired during the implementation of the global field support strategy.

40. **The Advisory Committee emphasizes the importance of ensuring that the project team, in particular the senior staff at the D-1 and P-5 levels, are thoroughly versed in all United Nations operations, including those at Headquarters, offices away from Headquarters, regional commissions and peacekeeping and other field missions. The Committee trusts that efforts will also be made to draw upon the knowledge and experience available within the Secretariat and in other United Nations entities in the provision of shared services (see A/70/323, paras. 11-13). The Committee recognizes the need for a dedicated project team to develop the detailed proposal for the global service delivery model, and recommends approval of the Secretary-General's proposals.**

41. With regard to the proposed establishment of a temporary position for a Principal Officer (D-1) for the project team, the Advisory Committee recalls that the Secretary-General proposed the abolishment of one D-1 post in the Management Support Service in the Office of the Under-Secretary-General under section 29A of the proposed programme budget for 2016-2017. The Secretary-General indicated that the proposed abolishment was attributable to the synergies realized through close collaboration between the enterprise resource planning project and the Management Support Service, which carry out many complementary activities, including leading change management activities, improving management practices and re-engineering business processes (see A/70/6 (Sect. 29A), para. 29A.39). In this connection, the Committee requested clarification as to why the activities related to the development of a proposal for a global service delivery model, which appear to be in line with the functions of the post proposed to be abolished, had not been planned for and factored into the requirements of the Office at the time of the preparation of the budget, given that the report of the Secretary-General is submitted in response to a request made by the General Assembly at its sixty-seventh session. The response could not be provided in time for the issuance of the present report. The Committee notes that the establishment of the proposed temporary position for a Principal Officer (D-1) for the development of a detailed proposal for this initiative would offset, in part, the savings proposed under section 29A of the proposed programme budget for 2016-2017 (see A/70/6 (Sect. 29A) and Corr.1).

Consultants

42. The Secretary-General is also proposing additional resources of $500,000 under section 29A of the proposed programme budget for 2016-2017 to cover the requirements for consultant fees for the in-depth analysis and development of the detailed proposal and business case for the global service delivery model. Upon enquiry, the Advisory Committee was provided with information on the functions to be performed by the consultants, which include activities such as review and compilation of data and documentation of existing arrangements.

43. **The Advisory Committee recognizes the need for outside consultants in the development of a detailed proposal for the global service delivery model, to provide both specialized expertise and independent analysis and assessment of**

the existing operational arrangements and future requirements. In this regard, the Committee emphasizes the importance of drawing upon the experience and knowledge of the Umoja project team and stresses the need to develop in-house expertise on this matter and to plan for the transfer of knowledge from consultants to project and programme staff in a timely manner. The Committee expects that detailed information on utilization and the functions performed by consultants will be provided in the context of the forthcoming report on the detailed proposal for the global service delivery model.

44. **In view of the nature of some of the functions proposed to be performed by the consultants (see para. 42 above), the Advisory Committee is of the view that certain tasks could be performed in house, recommends that the proposed requirement of $500,000 for consultants be reduced by 20 per cent and recommends approval of a total amount of $400,000 for consultant fees.**

Other issues

45. The Advisory Committee requested clarification as to why the Secretary-General was requesting an additional appropriation under the proposed programme budget for 2016-2017 rather than requesting that the proposed additional requirements be charged against the contingency fund. It was informed that, given that the global service delivery model was a reform initiative of the Secretary-General, the Secretariat believed that the requirements for the initiative fell outside the criteria established for the use of the contingency fund, which is contained in the annex to General Assembly resolution 42/211. **The Committee questions the arguments put forward by the Secretary-General in this regard, given that the report is submitted in response to a request made by the General Assembly (see para. 3 above). The Committee also considers that the activities and requirements related to the formulation of a proposal for the global service delivery model could have been anticipated and included in the workplan of the Management Support Service, and provided for under the proposed programme budget for 2016-2017 (see para. 41 above). In view of the above considerations, the Committee recommends that the proposed requirement be charged against the contingency fund under the proposed programme budget for the biennium 2016-2017.**

46. **Furthermore, given that this initiative covers the requirements of the entire United Nations Secretariat, the Advisory Committee is of the view that the implementation of the initiative, if approved, should be funded on the basis of a cost-sharing formula between the regular budget, the support account for peacekeeping operations and extrabudgetary resources. The Committee therefore recommends that the General Assembly request the Secretary-General to provide in his detailed report proposals for a cost-sharing formula for future requirements related to the implementation of the global service delivery model.**

47. As indicated in paragraph 7 above (see also A/70/323, para. 6), the Secretary-General is proposing to submit a detailed proposal for administrative support services, including a business case and location options for shared service centres for consideration by the General Assembly at its seventy-first session. **The Advisory Committee is of the view that the Secretary-General's detailed proposal should be submitted at the main part of the seventy-first session, within the same time**

frame as his proposals on the budget outline for the proposed programme budget for the biennium 2018-2019, in a well-coordinated manner that would facilitate the Assembly's consideration of the Secretary-General's proposals for the biennium 2018-2019.

V. Conclusions and recommendations

48. **The actions requested of the General Assembly are set out in paragraph 61 of the report of the Secretary-General. The Advisory Committee recommends that the General Assembly:**

(a) **Subject to its comments and recommendation in the paragraphs above, take note of the report of the Secretary-General and request the Secretary-General to submit a detailed proposal with a business case to the Assembly at its seventy-first session;**

(b) **Approve the establishment of two temporary positions (1 D-1, 1 P-5) in the Office of the Under-Secretary-General for Management with effect from 1 January 2016, initially for a period of one year;**

(c) **Taking into account its recommendations in paragraphs 40 and 44 above, reduce the proposed resources of $1,162,600 by an amount of $100,000 and approve an amount of $1,062,600 in respect of the project costs for the preparation of a detailed proposal for the global service delivery model of the United Nations Secretariat;**

(d) **Taking into account its recommendation in paragraph 45 above, charge the above amount to the contingency fund for the biennium 2016-2017.**

Annex I

Indicative staffing structure of personnel categorized as administrative in nature under the regular budget[a]

Budget section	Professional and higher category								General Service and related categories							
	USG/DSG	ASG	D-2	D-1	P-5	P-4/3	P-2/1	Subtotal	Principal level	Other level	Local level	Field Service	National Professional Officer	Trades and Crafts	Subtotal	Total
1. Overall policymaking, direction and coordination																
2014-2015	2	1	5	7	8	14	2	39	5	36	–	–	–	–	41	80
2016-2017	2	1	5	7	8	14	2	39	5	36	–	–	–	–	41	80
2. General Assembly and Economic and Social Council affairs and conference management																
2014-2015	–	–	–	1	1	2	1	5	3	13	–	–	–	–	16	21
2016-2017	–	–	–	1	2	6	4	13	5	54	–	–	–	–	59	72
3. Political affairs																
2014-2015	–	–	–	1	–	2	1	4	2	8	–	–	–	–	10	14
2016-2017	–	–	–	1	–	2	1	4	2	8	–	–	–	–	10	14
4. Disarmament																
2014-2015	–	–	–	–	1	–	–	1	2	1	–	–	–	–	3	4
2016-2017	–	–	–	–	1	–	–	1	2	1	–	–	–	–	3	4
5. Peacekeeping operations																
2014-2015	–	–	–	–	–	1	–	1	–	–	–	–	–	–	–	1
2016-2017	–	–	–	–	–	1	–	1	–	–	–	–	–	–	–	1
8. Legal affairs																
2014-2015	–	–	–	–	1	1	–	2	–	4	–	–	–	–	4	6
2016-2017	–	–	–	–	1	1	–	2	–	4	–	–	–	–	4	6
9. Economic and social affairs																
2014-2015	–	–	–	1	2	3	–	6	2	7	–	–	–	–	9	15
2016-2017	–	–	–	1	2	3	–	6	2	7	–	–	–	–	9	15
12. Trade and development																
2014-2015	–	–	–	2	6	13	2	23	4	34	–	–	–	–	38	61
2016-2017	–	–	–	2	6	13	2	23	4	34	–	–	–	–	38	61

Budget section	Professional and higher category								General Service and related categories							
	DSG/USG	ASG	D-2	D-1	P-5	P-4/3	P-2/1	Subtotal	Principal level	Other level	Local level	Field Service	National Professional Officer	Trades and Crafts	Subtotal	Total
14. Environment																
2014-2015	–	–	1	–	3	1	–	5	–	–	1	–	–	–	1	6
2016-2017	–	–	1	–	3	1	1	6	–	–	1	–	–	–	1	7
15. Human settlements																
2014-2015	–	–	–	–	1	4	–	5	–	–	2	–	–	–	2	7
2016-2017	–	–	–	–	1	4	–	5	–	–	2	–	–	–	2	7
17. UN-Women																
2014-2015	–	–	–	–	–	2	–	2	–	1	–	–	–	–	1	3
2016-2017	–	–	–	–	–	2	–	2	–	1	–	–	–	–	1	3
18. Economic and social development in Africa																
2014-2015	–	–	–	1	5	18	8	32	–	–	117	1	2	–	120	152
2016-2017	–	–	–	1	5	18	8	32	–	–	114	1	2	–	117	149
19. Economic and social development in Asia and the Pacific																
2014-2015	–	–	–	2	6	15	6	29	–	–	93	–	2	–	95	124
2016-2017	–	–	–	2	6	15	6	29	–	–	93	–	2	–	95	124
20. Economic development in Europe																
2014-2015	–	–	–	–	1	3	2	6	1	7	–	–	–	–	8	14
2016-2017	–	–	–	–	1	3	2	6	1	7	–	–	–	–	8	14
21. Economic and social development in Latin America and the Caribbean																
2014-2015	–	–	–	1	5	11	9	26	–	–	93	–	2	–	95	121
2016-2017	–	–	–	1	5	10	8	24	–	–	90	–	2	–	92	116
22. Economic and social development in Western Asia																
2014-2015	–	–	1	1	2	7	3	14	–	–	50	1	1	–	52	66
2016-2017	–	–	–	1	2	9	3	15	–	–	49	1	1	–	51	66
24. Human rights																
2014-2015	–	–	–	1	4	7	2	14	–	11	–	–	–	–	11	25
2016-2017	–	–	–	1	4	7	2	14	–	11	–	–	–	–	11	25
27. Humanitarian assistance																
2014-2015	–	–	–	–	1	1	1	3	1	3	–	–	–	–	4	7
2016-2017	–	–	–	–	1	1	1	3	1	3	–	–	–	–	4	7

Budget section	Professional and higher categories								General Service and related categories							
	USG (USG)	ASG	D-2	D-1	P-5	P-4/3	P-2/1	Subtotal	Principal level	Other level	Local level	Field Service	National Professional Officer	Trades and Crafts	Subtotal	Total
28. Public information																
2014-2015	–	–	–	1	1	4	1	7	1	15	–	–	–	–	16	23
2016-2017	–	–	–	1	1	4	1	7	1	17	–	–	–	–	18	25
29. Management and support services																
2014-2015	1	4	14	32	78	241	70	440	70	681	78	–	1	97	927	1 367
2016-2017	1	4	15	35	75	239	74	443	70	661	78	–	1	97	907	1 350
30. Internal oversight																
2014-2015	–	–	–	–	1	2	–	3	1	4	–	–	–	–	5	8
2016-2017	–	–	–	–	1	2	–	3	1	3	–	–	–	–	4	7
34. Safety and security																
2014-2015	–	–	–	1	2	3	1	7	2	7	–	–	–	–	9	16
2016-2017	–	–	–	1	2	3	1	7	2	7	–	–	–	–	9	16
IS3. Income section 3																
2014-2015	–	–	–	–	–	1	–	1	–	2	–	–	–	–	2	3
2016-2017	–	–	–	–	–	1	–	1	–	2	–	–	–	–	2	3
Totals																
2014-2015	**3**	**5**	**21**	**52**	**129**	**356**	**109**	**675**	**94**	**834**	**434**	**2**	**8**	**97**	**1 469**	**2 144**
2016-2017	**3**	**5**	**21**	**55**	**127**	**359**	**116**	**686**	**96**	**856**	**427**	**2**	**8**	**97**	**1 486**	**2 172**

[a] The Advisory Committee requested a breakdown of the staffing structure by location, which could not be provided in time for the issuance of the present report, and should therefore be provided to the General Assembly at the time of its consideration of this matter.

Annex II

Indicative staffing structure of personnel categorized as administrative under the support account for peacekeeping operations

	Professional and higher category							*General Service and related categories*							
Department/Office	*D-2*	*D-1*	*P-5*	*P-4*	*P-3*	*P-2/1*	*Subtotal*	*Principal level*	*Other level*	*Security Service*	*Local level*	*Field Service*	*National Professional Officer*	*Subtotal*	*Total*
Department of Peacekeeping Operations															
2014/15	–	1	1	1	2	1	6	1	9	–	–	–	–	10	16
2015/16	–	1	1	2	2	1	7	1	9	–	–	–	–	10	17
United Nations Office to the African Union															
2014/15	–	–	–	1	2	–	3	–	–	–	15	8	–	23	26
2015/16	–	–	–	1	2	–	3	–	–	–	15	8	–	23	26
Department of Field Support															
2014/15	3	10	36	92	120	4	265	18	146	–	–	–	–	164	429
2015/16	3	9	36	92	120	4	264	18	146	–	–	–	–	164	428
Department of Management															
2014/15	1	3	13	74	76	15	182	10	102	–	–	–	–	112	294
2015/16	1	3	12	75	76	15	182	11	101	–	–	–	–	112	294
Office of Internal Oversight Services															
2014/15	–	–	–	–	1	–	1	–	3	–	–	–	–	3	4
2015/16	–	–	–	–	1	–	1	–	3	–	–	–	–	3	4
Executive Office of the Secretary-General															
2014/15	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2015/16	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Office of the Administration of Justice															
2014/15	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2015/16	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Ethics Office															
2014/15	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2015/16	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–

Department/Office	Professional and higher category							General Service and related categories							
	D-2	*D-1*	*P-5*	*P-4*	*P-3*	*P-2/1*	*Subtotal*	*Principal level*	*Other level*	*Security Service*	*Local level*	*Field Service*	*National Professional Officer*	*Subtotal*	*Total*
Office of Legal Affairs															
2014/15	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2015/16	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Department of Public Information															
2014/15	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2015/16	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Department of Safety and Security															
2014/15	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2015/16	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Secretariat of the Advisory Committee on Administrative and Budgetary Questions															
2014/15	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2015/16	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Office of the United Nations High Commissioner for Human Rights															
2014/15	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2015/16	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
2014/15	**4**	**14**	**50**	**168**	**201**	**20**	**457**	**29**	**260**	**–**	**15**	**8**	**–**	**312**	**769**
2015/16	**4**	**13**	**49**	**170**	**201**	**20**	**457**	**30**	**259**	**–**	**15**	**8**	**–**	**312**	**769**